

Memorandum

To: Chairman and Commissioners

Date: July 29, 2002

From: Diane C. Eidam

**File No:
Book Item 2.1e(2)
Action**

Ref: Project Application Approval Amendment for the City of Irvine's Fixed Guideway Demonstration Project Amending PA-99-06

Issue:

Should the Commission approve the City of Irvine's amended Proposition 116 Rail Bond Program application reducing the amount of preliminary engineering funds approved in PA-99-06 from \$2.4 million to \$1,701,222? The City has indicated that the remaining \$121,298,778 in Proposition 116 Rail Bond funds will be preserved for the construction component of the selected project.

Recommendation:

Commission staff has reviewed the amended Proposition 116 application, as well as subsequent clarifications that appear to meet all basic requirements specified in the Proposition 116 Rail Bond Program, as well as the Commission's policies and guidelines. Staff recommends that the Commission approve the attached resolution, which would grant approval of the City of Irvine's amended application to reduce the amount of preliminary engineering funds in PA-99-06 from \$2.4 million to \$1,701,222.

Background:

The Proposition 116 Rail Bond Program in PUC Section 99645 authorizes \$125,000,000 to be allocated to the City of Irvine for construction of a guideway demonstration project.

In June 1998, the Commission approved PA-98-09, which authorized \$2 million for the completion of the detailed conceptual engineering and environmental clearance work for the Irvine Urban Rail Guideway Demonstration Project.

In March 1999, the Commission approved PA-99-06, which authorized an additional \$2.4 million to complete the program development phase of the Irvine Urban Rail Guideway element. In 1999, the project was part of the Orange County Corridor urban rail project, a 28-mile advanced transit guideway link between Irvine's Regional Transportation Center and the City of Fullerton's Transportation Center, commonly known as "The Centerline Project". The Irvine Guideway Demonstration Project was to focus on the design and implementation element in the Irvine Business Complex as an integral and initial part of the Centerline project.

In February 2002, the Commission approved BFA-01-06, which reduced the allocation of \$2.4 million in Proposition 116 Rail Bond funds for the City of Irvine's Guideway Demonstration Project. According to the City it has completed the Environmental and Design Engineering phase for the guideway alignment at a cost of \$3,701,222, a savings of \$698,778.

A July 8, 2002 letter from the City of Irvine indicates that the City of Irvine is working closely with the Orange County Transportation Authority (OCTA). To date the Supplemental Draft Environmental Impact Statement for the CenterLine project received comments at the end of the public review period. The Locally Preferred Alternative was selected and OCTA has begun Preliminary Engineering concurrent with the Final Environmental Impact Statement process. The City has stated that it intends to preserve the remaining \$121,298,778 in Proposition 116 Rail Bond funds for the construction element of the project. Please note that the Proposition 116 Rail Bond funds under PUC Section 99645 require a dollar for dollar match from the City.

In summary, approval of the attached resolution reduces the amount of Proposition 116 Rail Bond funds previously authorized from \$2.4 million to \$1,701,222, thereby leaving a remaining amount of \$121,298,778 to be authorized at a future date.

CALIFORNIA TRANSPORTATION COMMISSION
Commission Project Application Approval Amendment
City of Irvine
Proposition 116 Application for the
Irvine Urban Rail Guideway Program Phase II Project Development

Resolution #PA-02-
Amending Resolution #PA-99-06

- 1.1 WHEREAS, in June 1990 the voters approved Proposition 116, the Clean Air and Transportation Improvement Act, for \$1.99 billion for rail and mass transportation purposes; and
- 1.2 WHEREAS, the California Transportation Commission is designated in Proposition 116 to oversee the five grant programs over the 20-year term of the Proposition; and
- 1.3 WHEREAS, Proposition 116 calls for the Commission to establish an application process and to develop and adopt guidelines to implement those programs; and
- 1.4 WHEREAS, Proposition 116 establishes as a purpose of the application process that it "facilitate implementation of improved cost-effective transit service to the maximum number of Californians and to prevent the funds provided for by this part from being spent on needlessly costly features"; and
- 1.5 WHEREAS, Proposition 116 requires applications to specify full and complete capital plans, financial plans, and operating plans, including schedules and funding sources; and
- 1.6 WHEREAS, in December 1990 the Commission adopted policy and application guidelines (#G-90-23) for the Proposition 116 rail program; and
- 1.7 WHEREAS, pursuant to Proposition 116, PUC Section 99645, and contingent upon approval by the Commission of an application for funding, \$125,000,000 shall be allocated to the City of Irvine for construction of a guideway demonstration project; and
- 1.8 WHEREAS, the Commission has established a "Hazardous Waste Identification and Cleanup Policy" (#G-91-2) which requires the applicant agency to have performed full due diligence in identifying the hazardous waste in the right-of-way and easements and properties and cleanup required, and that the State has been indemnified from cleanup liability or damages, both present and future; and
- 1.9 WHEREAS, the Commission has established a "Rail Right-of-Way Review Policy" (#G-95-09) which requires an evaluation of the applicant agency's report on the appraisal cost and easement price of the rail right-of-way to be acquired; and
- 1.10 WHEREAS, the Commission's policy and application guidelines (#G-90-23, Policy 33) require that in the event that a rail right-of-way project does not result in rail service by the year 2000

and the property is no longer needed, the Commission shall require that a liquidation plan be prepared by the grant recipient by January 31, 2000 for approval by the Commission to dispose of the property; and

- 1.11 WHEREAS, PUC Section 99665(a) requires applicants for grants pursuant to PUC Section 99645, to match on a dollar-for-dollar basis, the amount of the grant from other public or private sources, and to demonstrate to the satisfaction of the Commission, the availability of those other funds; and
- 1.12 WHEREAS, Proposition 116 specifies that local agencies shall not adopt new or increased development taxes, fees, or exactions or permit fees to pay the local match or for operating costs of new service established with funds provided pursuant to PUC Section 99645; and
 - 1.13 WHEREAS, in May 1998, the Commission approved an application (PA-98-09) from the City of Irvine and Orange County Transportation Authority (OCTA) requesting approval of \$2,000,000 in Proposition 116 funds for Phase I of the detailed conceptual engineering and environmental certification leading to the design and implementation of the Irvine Urban Rail Guideway Demonstration Project; and
- 1.14 WHEREAS, in March 1999, the Commission approved a supplemental request for Proposition 116 funds from the City of Irvine and OCTA for an additional \$2,400,000 in Proposition 116 funds for Phase II of the detailed conceptual engineering and environmental certification leading to the design and implementation of the Irvine Urban Rail Guideway Demonstration Project; and
- 1.15 WHEREAS, in February 2002, the Commission received an application amendment from the City of Irvine and OCTA with revised financial plans indicating that it had completed Phase II of the detailed conceptual engineering and environmental certification for the Irvine Rail Guideway Demonstration Project at a cost savings of \$1,701,222, leaving \$698,778 to be reprogrammed at a later date; and
- 2.1 BE IT THEREFORE RESOLVED, that the Commission hereby grants approval of the amended application for \$1,701,222 in Proposition 116 funds for the Phase II detailed conceptual engineering and environmental certification for the Irvine Rail Guideway Demonstration Project; and
- 2.2 BE IT FURTHER RESOLVED, that a Proposition 116 project approval by the Commission reserves the State funding within the Program, and allows project development work to be undertaken by the applicant agency, which will be subject to state reimbursement pursuant to the Commission's "Financial Guidelines for Local Agency Reimbursement" and subsequent fund transfer agreement.